

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6877

BILL NUMBER: SB 311

NOTE PREPARED: Dec 29, 2011

BILL AMENDED:

SUBJECT: Fiscal Impact Review for Environmental Rules.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill requires the Department of Environmental Management (IDEM) to prepare a fiscal impact statement for each rule that has been: (1) finally adopted by certain environmental boards after June 30, 2012; and (2) fully implemented for a period of three years after the rule's final adoption. It provides that a fiscal impact statement must include certain information concerning the total economic impact that compliance with the rule has had on all persons regulated by the rule during the first three years the rule has been fully implemented. It requires IDEM to submit a fiscal impact statement to the Budget Committee not later than six months after the date on which IDEM determines that the rule to which the statement applies has been fully implemented for three years, unless the Budget Committee requires otherwise. The bill also provides that the Budget Committee may prescribe: (1) the form of a fiscal impact statement; and (2) the process, deadlines, and other requirements for submitting a fiscal impact statement.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Fiscal Impact Statements:* The bill's requirements will likely increase administrative expenses for IDEM, but any impact will depend upon the number of fiscal impact statements that will need to be prepared due to the bill's provisions. The impact is indeterminable.

During the rule-making process, IDEM addresses possible alternatives to the proposed rules, potential fiscal impacts, and applicable federal laws. Current statute also requires agencies to submit fiscal impact statements on proposed rules to the Office of Management and Budget if the proposed rule is estimated to have an impact of \$500,000 or more on all regulated persons.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDEM; State Budget Committee.

Local Agencies Affected:

Information Sources:

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